

are owned by the crown and eight million acres alienated under various forms of title, of which about five million acres are owned in fee simple. Therefore, of the total area of forest lands to be protected the crown owns the sole interest in 94 per cent and an important interest by way of royalties and taxes in the remaining 6 per cent.

To ensure new growth and the sustained yield, the organization of a fire protection service on a sound industrial basis is essential. This can be achieved only through provision of ample financing by adequate contributions from the dominion government, whose interest in the forests is, as I have already said, greater than either that of the province or that of the industry itself. This assistance might also include provision of aerial photography, map production, detection air patrols and the transportation by air of fire-fighters and fire-fighting equipment. Coupled with fire protection must be protection against insects and fungus disease such as the spruce sawfly, the borer, the hemlock looper, and the pine blister rust. These are not as great problems in British Columbia as fire. But in some regions of Canada they are an even greater menace. The westward migration of the insect pests is, however, beginning to be felt in British Columbia. The prevention of this spread which pays no heed to provincial boundaries is primarily a dominion responsibility. Adequate steps must be taken by the dominion to control insect pests and the spread of disease.

During world wars I and II the coast forests supplied 100 per cent of the aeroplane spruce used by the empire air services for the construction of fighter and bomber aircraft. British Columbia is the only source, as far as I know, of that particular type of spruce, which made possible the production of the Mosquito fighter and bomber. In both wars the dominion government took over the production and exploitation of this aerial spruce. But not one nickel was ever put back by the dominion government to safeguard the remaining stand against any future emergency. At the present time certain of these stands are threatened by insect pests and, as far as I know, no federal appropriation has as yet been made to combat this danger. Need for industrial and silvicultural research to discover new methods of marketing economically the refuse which is now being left in the woods is also apparent. In all these respects opportunities are provided to the federal government to assist the industry by larger appropriations. Moneys devoted to these purposes are a sound investment, because they will assure future production and

yield a direct profit in the form of increased revenue. It is beyond the combined means of the province and the industry to provide these requisite services. The dominion government has a strong interest in our forest resources. The products of Canadian forest industries compete in world markets with those of countries which maintain extensive research facilities. I suggest that in order to prevent duplication of effort, to ensure that silvicultural research is organized on a continuing basis, the dominion government should assume the main responsibility in that field. The maintenance by the dominion government of extensive and up-to-date research facilities in the fields of silviculture, wood utilization, forest protection and forest economies is long overdue.

At present the various categories of cutting rights are under several jurisdictions. The forest branch governs them as to forestry and fire protection regulations, royalties and fire protection tax. The workmen's compensation board governs them as to important operating regulations and relatively high payroll assessments which cost several times as much as it would cost to replant the land and protect the crop from fire to saleable age. The provincial taxation authorities, independently of all other bodies, fix the assessments for property tax on crown granted land classified as timber land. The dominion taxation authorities collect personal and corporation income taxes, excess profits taxes and succession duties which at the present time exceed in cost per acre the total of all other government imposts. The provincial government also preserves an interest in the collection of succession duties.

If forest land is to be managed by individuals or companies for perpetual yield there must be some simplification of the present complicated taxation structure and some assurance that a coordinated policy will be developed under one authority in order to encourage private capital to embark on the growing of crops that cannot be reaped before the second or third generation. But, according to the proposal for the new dominion-provincial agreement, suggested in this year's budget, there is still to be an open season on the logging and lumbering industries which must tend to discourage production.

I have endeavoured to show the great value of the forest industry to the country as a whole; the necessity of maintaining a sustained yield for the industry; the interest and responsibility the federal government has in connection with our forest industry, and the action that the federal government must take